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SUBJECT: EGYPTIAN GOVERNMENT AND ARAB LEAGUE PUBLIC

REACTION TO THE PRESIDENT'S JULY 17 SPEECH

- 11. The official Egyptian and Arab League initial public reactions to the President's July 16 speech on the Israeli-Palestinian conflict were mostly favorable. Egyptian Presidential Spokesman Soliman Awwad said (according to an unofficial embassy translation) that, as President Mubarak has repeatedly noted, the Palestinian issue is the root cause of the problems in the Middle East. The "road to Baghdad leads through Jerusalem," he said, and the coming days will require "serious international movement" to realize President Bush's vision. Awwad praised President Bush's "clear call" upon Israeli Prime Minister Olmert to release all funds to the Palestinian people and to cease illegal settlement activity. Awwad said Egypt supports President Bush's call for Israel to stop building the isolation barrier, which divides Palestinian lands in a way that does not permit the Palestinian people to establish their state.
- 12. Egyptian Foreign Minister Ahmed Aboul Gheit also praised several "positive elements" of the speech that could be built upon, particularly the need to "end the occupation" and establishment of a viable, territorially-integrated Palestinian state. He welcomed additional US economic assistance for the Palestinian people, but noted that removal of settlements on Palestinian lands, as opposed to merely stopping expansion, is necessary, and added that any settlement must be based on the "1967 borders." He commended the U.S. administration's "interest" in the Arab Peace Initiative, and said that the current situation should compel both sides to return to negotiations on final status issues immediately.
- 13. Arab League Secretary General Amre Moussa issued a statement "welcoming several positive elements" of the speech, especially regarding the President's view that Israel should stop settlement expansion and remove illegal outposts, "end the occupation," and reach agreement on final status issues such as Jerusalem and Palestinian refugees. He also welcomed the financial assistance package that the President announced for the Palestinian people.

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